

EXAMINER'S BANKING PRACTICES SURVEY

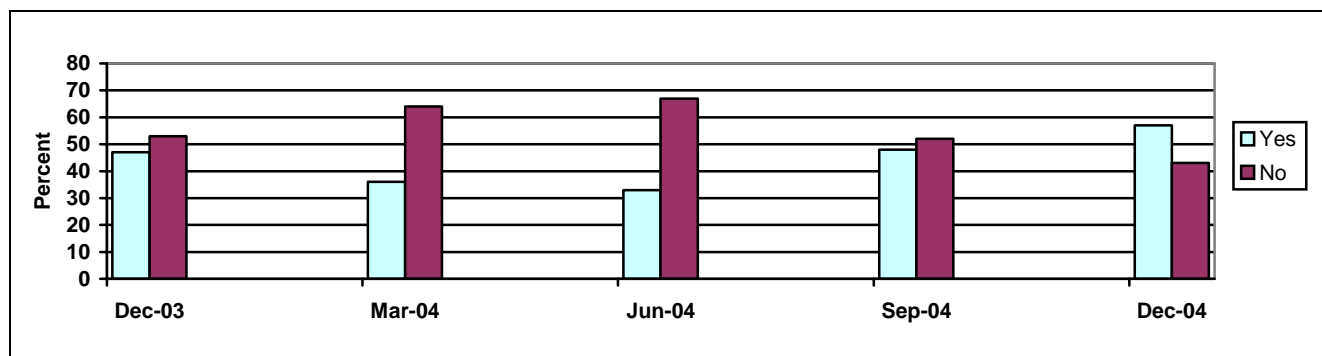
Fourth Quarter 2004

Division of Finance
State of Missouri

This survey is completed by bank examiners at the conclusion of each examination. **Fourth Quarter 2004** results are compiled from **30** responses.

LENDING

1. Since the last examination, has the institution significantly increased lending activity in any particular segment of the portfolio? "*Significantly*" means growth of 20% or more.



Of yes responses:

Loan Type	Dec-03	Mar-04	Jun-04	Sep-04	Dec-04
RE/Const/Land Devel	22%	27%	15%	20%	21%
RE/Agricultural	11%	14%	15%	16%	9%
RE/Commercial/Indust	15%	27%	20%	16%	26%
RE/Residential	14%	14%	10%	16%	10%
Agricultural	14%	0%	15%	16%	6%
Commercial/Industrial	17%	9%	25%	12%	19%
Consumer	7%	9%	0%	4%	9%

2. Is the institution active in making the following types of loans?

	Mar-04		Jun-04		Sep-04		Dec-04	
	Yes 16%	No 84%	Yes 7%	No 93%	Yes 9%	No 91%	Yes 23%	No 77%
Of Yes Responses-Loan type								
Sub-prime/Predatory lending	0%		0%		50%		50%	
Dealer paper	100%		0%		50%		38%	
Low or No-doc bus. lending	0%		50%		0%		0%	
High LTV home eq. lending	0%		50%		0%		12%	

3. Is the bank offering below market interest rates or reduced fees to attract loans?

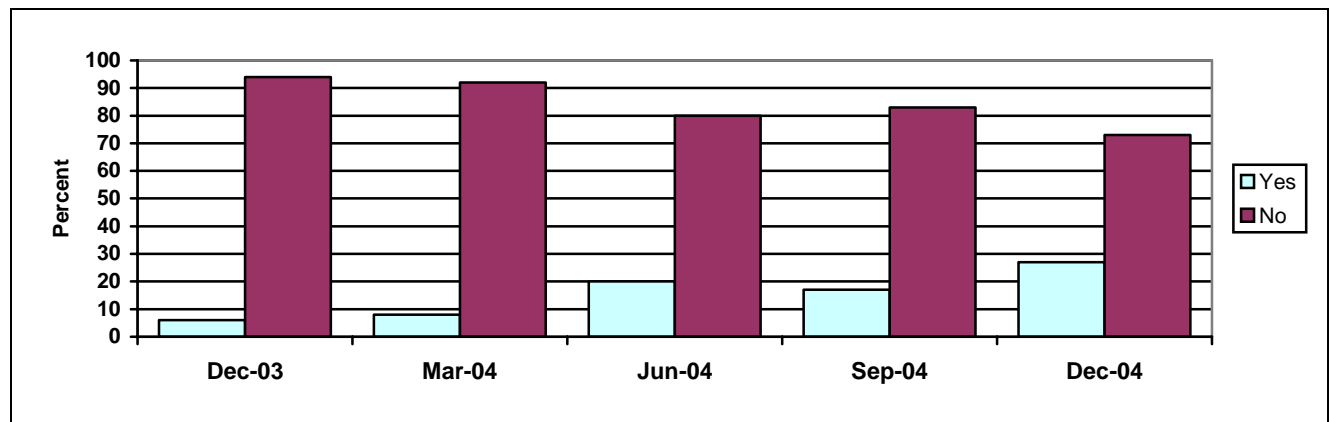
	Dec-03	Mar-04	Jun-04	Sep-04	Dec-04
Yes	0%	0%	3%	0%	10%
No	100%	100%	97%	100%	90%

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4. Does the institution use credit scoring models for loan decisions?

	Mar-04		Jun-04		Sep-04		Dec-04	
	Yes 12%	No 88%	Yes 7%	No 93%	Yes 4%	No 96%	Yes 10%	No 90%
Of Yes Responses - Loan type								
Credit card	0%		0%		0%		0%	
Consumer	67%		67%		0%		20%	
Residential mortgage	33%		33%		50%		40%	
Small business	0%		0%		50%		20%	
Other	0%		0%		0%		20%	

5. Are there indications the bank is incurring "more-than-normal" risk to boost new loans?



Of yes responses:

	Dec-03	Mar-04	Jun-04	Sep-04	Dec-04
Making collateral based loans?	25%	20%	36%	10%	29%
Reduced collateral margins?	25%	20%	14%	20%	24%
Not requiring cash flow projections?	25%	40%	21%	30%	29%
Liberal repayment terms? (reduced debt service ratios; interest only; deferred, extended, balloon or negative amortization payments)	25%	0%	21%	30%	18%
Waiving guarantees or other documentation?	0%	20%	7%	0%	0%
Other	0%	0%	0%	10%	0%

6. Describe potential risk in current underwriting practices for:

	Dec-03	Mar-04	Jun-04	Sep-04	Dec-04
Agricultural Loans					
Minimal	83%	96%	70%	92%	83%
Moderate	17%	4%	30%	4%	17%
Substantial	0%	0%	0%	4%	0%
Commercial Loans					
Minimal	81%	64%	73%	65%	67%
Moderate	17%	36%	23%	30%	33%
Substantial	3%	0%	3%	5%	0%
Consumer Loans					
Minimal	86%	80%	83%	91%	87%
Moderate	14%	16%	10%	9%	13%
Substantial	0%	4%	7%	0%	0%
Residential Loans					
Minimal	92%	88%	83%	87%	77%
Moderate	8%	8%	10%	9%	20%
Substantial	0%	4%	7%	4%	3%

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7. Differences between actual lending practices and written policies are:

	Dec-03	Mar-04	Jun-04	Sep-04	Dec-04
Agricultural Loans					
Minimal	83%	96%	83%	91%	87%
Moderate	14%	4%	13%	9%	10%
Substantial	3%	0%	3%	0%	3%
Commercial Loans					
Minimal	83%	80%	80%	87%	67%
Moderate	14%	20%	13%	13%	30%
Substantial	3%	0%	7%	0%	3%
Consumer Loans					
Minimal	89%	84%	93%	91%	90%
Moderate	8%	8%	0%	9%	7%
Substantial	3%	8%	7%	0%	3%
Residential Loans					
Minimal	86%	92%	90%	83%	83%
Moderate	8%	4%	3%	13%	10%
Substantial	6%	4%	7%	4%	7%

8. With regard to agricultural loans, describe the potential risk the bank faces from:

	Dec-03	Mar-04	Jun-04	Sep-04	Dec-04
Carryover Debt					
Minimal	89%	96%	90%	78%	90%
Moderate	11%	4%	10%	17%	10%
Substantial	0%	0%	0%	5%	0%
Phase-out of Farm Subsidies					
Minimal	83%	96%	97%	78%	93%
Moderate	14%	4%	3%	17%	7%
Substantial	3%	0%	0%	5%	0%
Drop in Land Values					
Minimal	86%	96%	79%	87%	87%
Moderate	11%	4%	21%	9%	10%
Substantial	3%	0%	0%	4%	3%

9. Has the ratio of Total Adversely Classified Items/Tier 1 Capital & ALLL increased (+) or decreased (-) since the prior examination?

	Mar-04		Jun-04		Sep-04		Dec-04	
No. Banks with Inc/(Dec) in ratio (%)	+	24%	-	76%	+	53%	-	47%
Average Inc/(Dec) in Ratio	8.6	(8.9)	11.0	(6.1)	10.4	(9.5)	11.6	(5.8)
Cause of Increase								
Eased underwriting standards	10%		4%		0%		11%	
Deterioration in new loans	0%		4%		0%		15%	
Deterioration in older loans	40%		54%		84%		59%	
Participations or out-of-territory	0%		17%		0%		0%	
Economic conditions	10%		13%		8%		7%	
Changes in lending personnel	10%		4%		0%		0%	
New types of lending activity	0%		0%		0%		4%	
Other	30%		4%		8%		4%	

10. Estimate loan classifications at this examination into the following types:

Loan Type	Dec-03	Mar-04	Jun-04	Sep-04	Dec-04
RE/Const/Land Development	5%	5%	5%	4%	8%
RE/Agriculture	7%	6%	7%	5%	5%
RE/Commercial/Industrial	26%	20%	22%	21%	27%
RE/Residential	29%	26%	30%	32%	30%
Agricultural	4%	5%	4%	4%	4%
Commercial/Industrial	22%	23%	24%	21%	22%
Consumer	7%	15%	9%	13%	4%

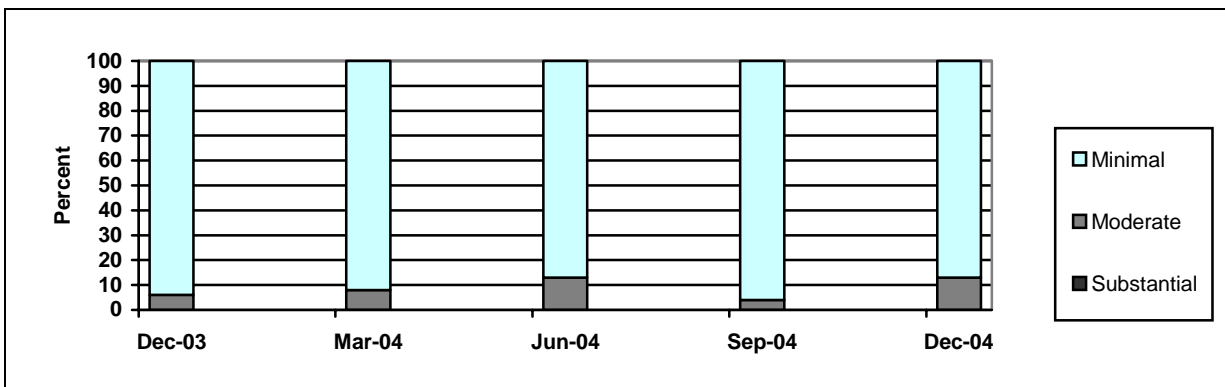
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INVESTMENTS

11. Since the last examination, has the institution purchased securities without understanding the characteristics of the issue?

	Dec-03	Mar-04	Jun-04	Sep-04	Dec-04
Yes	0%	4%	0%	0%	0%
No	100%	96%	100%	100%	100%

12. Differences between actual investment practices and written policies are:



OTHER

13. Has the bank established a borrowing line with FHLB?

	Dec-03	Mar-04	Jun-04	Sep-04	Dec-04
Yes	92%	72%	73%	70%	90%
No	8%	28%	27%	30%	10%
If yes, does the bank actively borrow from the FHLB?					
Yes	85%	72%	62%	94%	89%
No	15%	28%	38%	6%	11%

14. Does the bank hold off-balance sheet derivatives?

	Dec-03	Mar-04	Jun-04	Sep-04	Dec-04
Yes	3%	0%	7%	9%	0%
No	97%	100%	93%	91%	100%

15. List nontraditional activity the institution is engaged in.

	Dec-03	Mar-04	Jun-04	Sep-04	Dec-04
Yes	69%	84%	70%	65%	87%
No	31%	16%	30%	35%	13%
Of those that do:					
Nondeposit Investment Sales	29%	25%	26%	21%	24%
Insurance Sales	6%	10%	7%	15%	6%
Real Estate Loan Secondary Market Sales	29%	31%	21%	23%	24%
Non-transactional Web Site	4%	14%	12%	6%	14%
Transactional Web Site	30%	20%	28%	32%	32%
Other	2%	0%	5%	3%	0%